

**Quantum of money mobilised by vanishing companies**

† 1807. DR. D. MASTHAN:  
SHRI KAPIL SIBAL:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to refer to answer to Unstarred Question 258 given in the Rajya Sabha on the 25th July, 2000 and state:

- (a) whether Government have ascertained the quantum of large sums of money mobilised by the vanishing companies; and
- (b) if so, the quantum thereof alongwith the details of action taken by Government to trace these companies?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY):  
(a) and (b) Yes, Sir. As mentioned in earlier Unstarred Question No. 258 answered on 25th July, 2000, Department of Company Affairs (DCA) has received a list of 142 erring companies in which Rs. 668.61 crores were involved. Out of which DCA has identified 24 companies which are not traceable even after due enquiries. The total amount involved in these 24 companies is Rs. 80.47 crores. Prosecutions have been launched against these companies by the field Offices of DCA. They have also been instructed to refer these companies to Regional Economic Intelligence Agencies. Police complaints have also been launched against 24 companies. The DCA has also written to the Chief Secretaries and Finance Secretaries of concerned States for taking penal action against the aforesaid 24 companies under Investors Protection Act (wherever applicable) and or/Indian Penal Code.

**Increase in retirement age of High Court Judges**

1808. SHRI R. K. ANAND: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) whether there is any proposal to increase the age of retirement of the High Court Judges by three years; and
- (b) if so, the time frame by when the same would be finalised?

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† Original notice of the question was received in Hindi.

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND THE MINISTER OF STATE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) A resolution was adopted at the Conference of Chief Justices held on December 3 and 4, 1999 for increasing the age of retirement of High Court Judges from 62 to 65 years.

(b) It is not possible to indicate any time frame for a decision.

#### **Non-Approval of Nidhi Companies**

1809. SHRI S. AGNIRAJ: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) whether it is a fact that for more than four years no fresh approval of Nidhi Companies have been given by Government;
- (b) if so, the reasons therefor;
- (c) what are the total number of applications pending with the Department; and
- (d) what steps are being taken to clear these applications?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) to (d) The Government has not approved any company as a Nidhi from 1997. The potential nidhi companies before declaration as a Nidhi are classified as a Loan company by the Reserve Bank of India. Being a class of Non-Banking Financial Companies, these companies are required to comply with the directions of Reserve Bank of India as applicable to such companies and also the directions of this Department. Most of these companies failed to comply with the directions of Reserve Bank of India. The Government decided to review the guidelines for nidhis in consultation with the Reserve Bank of India. A list of applicant companies was furnished to Reserve Bank of India. Reserve Bank India has started inspection of all these companies to find out their eligibility for nidhi status. Comprehensive guidelines were issued on 1.11.1999. Meanwhile, some of the nidhi companies failed to repay the deposits and there were several complaints from the depositors. The Government have appointed Directors in two such companies. Subsequently, a Committee was constituted under the